

GRAND CANE FIELD
04-537 and 04-538

LEGAL NOTICE

STATE OF LOUISIANA, OFFICE OF CONSERVATION, BATON ROUGE, LOUISIANA.

In accordance with the laws of the State of Louisiana, and with particular reference to the provisions of Title 30 of Louisiana Revised Statutes of 1950, a public hearing will be held in the Hearing Room 1st Floor, LaSalle Building, 617 North 3rd Street, Baton Rouge, Louisiana, at 9:00 a.m. on **TUESDAY, JUNE 22, 2004**, upon the application of **BRIDAS ENERGY USA, INC.**

At such hearing the Commissioner of Conservation will consider evidence relative to the issuance of Orders pertaining to the following matters relating to the **Cotton Valley Formation, Reservoir A, and the Hosston Formation, Reservoir A**, in the Grand Cane Field, DeSoto Parish, Louisiana.

COTTON VALLEY FORMATION, RESERVOIR A

1. To establish rules and regulations governing the exploration for and production of gas and condensate from the Cotton Valley Formation, Reservoir A.
2. To create three (3) drilling and production units for the exploration for and production of gas and condensate from the Cotton Valley Formation, Reservoir A, such units being designated CV RA SUA through CV RA SUC, and being shown on the plat submitted with the application.
3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within each of the proposed units with each separate tract sharing in unit production on a surface acreage basis of participation.
4. To designate an Operator of, and unit wells for, the proposed units as may be appropriate.
5. To provide that future wells drilled to the Cotton Valley Formation, Reservoir A, be located no closer than 660 feet to any unit line and no closer than 2,000 feet to any well completed in, drilling to, or for which a permit shall have been granted to drill to the Cotton Valley Formation, Reservoir A.
6. To permit Applicant to combine downhole production from the Cotton Valley Formation, Reservoir A, with production from the Hosston Formation, Reservoir A, in any well drilled on the identical units for those formations in which the interests in such units are identical.
7. To define the Cotton Valley Formation, Reservoir A, as that gas and condensate bearing interval encountered between the depths of 9,140 feet and 10,177 feet, electric log measurements, in the Bidas Energy USA, Inc.--John A Blunt 14 No. 1 Well, located in Section 14, Township 12 North, Range 15 West, DeSoto Parish, Louisiana.
8. To consider such other matters as may be pertinent.

HOSSTON FORMATION, RESERVOIR A

1. To create two (2) additional drilling and production units for the exploration for and production of gas and condensate from the Hosston Formation, Reservoir A, such units being shown on a plat submitted with the application and being designated HOSS RA SUK and HOSS RA SUL.

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2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within each of the proposed additional units in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each tract sharing in unit production on a surface acreage basis of participation.
3. To designate an Operator of, and unit wells for, the proposed additional units as may be appropriate.
4. To extend, except as in conflict herewith, the provisions of Office of Conservation Order No. 342-B, effective May 24, 1978, as amended and supplemented by the Order No. 342-B series of Orders, to the proposed additional units.
5. To consider such other matters as may be pertinent.

The Hosston Formation, Reservoir A, in the Grand Cane Field, DeSoto Parish, Louisiana, was defined in Office of Conservation Order No. 342-B, effective May 24, 1978.

Plats are available for inspection in the Office of Conservation in **Baton Rouge** and **Shreveport**, Louisiana.

www.dnr.state.la.us/CONS/CONSEREN/hearings/pubhearings.htm.

All parties having interest therein shall take notice thereof.

BY ORDER OF:

JAMES H. WELSH
COMMISSIONER OF CONSERVATION

Baton Rouge, La
5/14/04;5/19/04
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IF ACCOMMODATIONS ARE REQUIRED UNDER AMERICANS WITH DISABILITIES ACT, PLEASE ADVISE THE OFFICE OF CONSERVATION-ENGINEERING DIVISION AT P.O. BOX 94275, BATON ROUGE, LA 70804-9275 IN WRITING WITHIN TEN (10) WORKING DAYS OF THE HEARING DATE.